

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

**** AM TIME APPROXIMATE REQUESTED ****

Meeting Date: Wed., January 19, 2005

Division: BOCC

Bulk Item: Yes ☐ No ☒

Department: Commissioner Rice, District 4

AGENDA ITEM WORDING: Discussion of workforce housing issues with possible direction to staff.

ITEM BACKGROUND: Although steps have taken to promote new affordable housing supply through regulatory changes, securing of financing, and commitments from DCA for additional affordable housing allocations, less attention has been given to protecting our existing affordable housing stock. More specifically, serious concerns have been raised about the loss of our rental housing for our workforce.

Market forces are rapidly forcing the conversion of rental units and smaller owner-occupied housing to higher-end investor owned seasonal and transient housing. The serious implications of these market forces on our permanent rental housing market and eventual ramifications for our tourist-based economy underscores the importance of timely action to develop a comprehensive strategy and implementation techniques to protect our current workforce housing.

Therefore, I would like for the Board to discuss this issue and, if appropriate, provide direction to staff to move forward on both short and long-term actions needed to comprehensively address this significant issue in a timely manner.

PREVIOUS RELEVANT BOCC ACTION:

CONTRACT/AGREEMENT CHANGES

STAFF RECOMMENDATIONS:

TOTAL COST: _____

BUDGETED: Yes ☐ No ☐


COST TO COUNTY: _____

SOURCE OF FUNDS: _____

REVENUE PRODUCING: Yes ☐ No ☐ **AMOUNT PER MONTH** _____ **Year** _____

APPROVED BY: County Atty ☐ OMB/Purchasing ☐ Risk Management ☐

DIVISION DIRECTOR APPROVAL:


(David P. Rice, Commissioner, District 4)

DOCUMENTATION: Included ☒ To Follow ☐ Not Required ☐

DISPOSITION: _____

AGENDA ITEM # 010

Proposed
Dec. Board mtg.

ORDINANCE NO. -2003

AN ORDINANCE AMENDING SECTION 9.5-4(A-5), (M-6.2) AND (M-10), Section 9.5-122 (c) AND SECTION 9.5-266 (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) MONROE COUNTY CODE; PROVIDING FOR A REVISED DEFINITION OF AFFORDABLE HOUSING; PROVIDING FOR AN ADJUSTABLE MAXIMUM SALES PRICE FOR AFFORDABLE HOUSING; TO AMEND APPLICANT ELIGIBILITY REQUIREMENTS; PROVIDING FOR LINKAGE OF AFFORDABLE HOUSING PROJECTS; PROVIDING FOR AN AFFORDABLE HOUSING TRUST FUND; PROVIDING FOR COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS; PROVIDING FOR INTERLOCAL AFFORDABLE HOUSING RATE OF GROWTH ALLOCATION AGREEMENTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR INCORPORATION INTO THE MONROE COUNTY CODE OF ORDINANCES WHEN EFFECTIVE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Monroe County Board of County Commissioners finds that the need for affordable and employee housing has become persistent and affects a large proportion of employees in Monroe County, and

WHEREAS, the Monroe County Board of County Commissioners wish to create opportunities for families to obtain affordable, clean and safe housing; and

WHEREAS, the Monroe County Board of County Commissioners finds that there are appropriate areas within Monroe County to locate affordable housing, which shall be addressed through the Livable CommuniKeys Planning process; and

WHEREAS, the Monroe County Board of County Commissioners finds that adjustments are needed to distinguish income requirements among very low income, low income, median income, and moderate income employee housing; and

WHEREAS, the Monroe County Board of County Commissioners finds that a revision of the County's affordable housing regulations is necessary to address an imbalance in provisions for low income affordable housing versus moderate income housing; and

WHEREAS, the Monroe County Board of County Commissioners finds that a revision of the County's affordable housing regulations would promote the health, safety and welfare of the citizens of Monroe County; now, therefore

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA, that:

Section 1. Section 9.5-4 (A-5) of Monroe County Code is amended to read as follows:

(A-5) *Affordable housing* refers to residential dwelling units that meet the following requirements:

- Meet all applicable requirements of the United States Department of Housing and Urban Development minimum property standards as to room sizes, fixtures, landscaping and building materials, when not in conflict with applicable laws of Monroe County; and
- a) Generally, affordable housing for a rental dwelling unit shall mean a dwelling unit whose monthly rent, not including utilities, does not exceed 30 percent of that amount which represents either 50 (very low income) or 80 (low income) or 100 (median income) or 120 (moderate income) percent of the monthly median adjusted household income for Monroe County.
- b) Affordable rental housing, very low income shall be a rental dwelling unit whose monthly rent, not including utilities, does not exceed 30 percent of the amount which represents 50 percent of the monthly median adjusted household income for Monroe County.
- c) Affordable rental housing, low income shall mean a dwelling unit whose monthly rent, not including utilities, does not exceed 30 percent of the amount which represents 80 percent of the monthly median adjusted household income for Monroe County.
- d) Affordable rental housing, median income shall mean a dwelling unit whose monthly rent, not including utilities, does not exceed 30 percent of the amount which represents 100 percent of the monthly adjusted median household income for Monroe County.
- e) Affordable rental housing, moderate income shall mean a dwelling unit whose monthly rent, not including utilities, does not exceed 30 percent of the amount which represents 120 percent of the monthly median adjusted household income for Monroe County.
- f) Affordable housing owner occupied very low income shall mean a dwelling unit occupied only by a household whose total household income does not exceed 50 percent of the median monthly household income for Monroe County.
- g) Affordable housing owner occupied low income shall mean a dwelling unit occupied only by a household whose total household income does not exceed 80 percent of the median monthly household income for Monroe County.
- h) Affordable housing owner occupied median income shall mean a dwelling unit occupied only by a household whose total household income does not exceed 100 percent of the median monthly household income for Monroe County.
- i) Affordable housing owner occupied moderate income shall mean a dwelling unit occupied only by a household whose total household income does not exceed 120 percent of the median monthly household income for Monroe County.
- j) Affordable housing trust fund shall mean a trust fund established and maintained by the county for revenues from fees in lieu of constructing affordable housing, and revenues from other sources earmarked for the trust fund by state statute, land development regulation, ordinance or donation. Funds collected for and deposited in the trust fund shall be used exclusively for the acquisition of land for affordable housing projects, the construction of affordable housing and for loans for down payment assistance for the purchase of affordable housing.
- k) Monthly Median household income shall mean the median annual household income for Monroe County divided by 12.

- i. Affordable housing projects shall be no greater than twenty (20) units unless approved by resolution of the Monroe County Planning Commission. The Planning Commission's decision may be appealed to the Board of County Commissioners utilizing the procedures described in Section 9.5-521, with the Board of County Commissioners serving as the appellate body for the purpose of this section only.
- j. Family size. When establishing a rental and sales amount, the County shall assume family size as indicated in the table below. This section shall not be used to establish the maximum number of individuals who actually live in the unit. This table shall be used in conjunction with the eligibility requirements created by Section 9.5 (A-5).

<i>Size of Unit</i>	<i>Assumed Family Size</i>	<i>Minimum Occupancy</i>
Efficiency (no separate bedroom)	1	1
One bedroom	2	1
Two bedroom	3	2
Three bedroom	4	3
Four or more bedrooms	5	1 per bedroom

- k. The income of eligible households shall be determined by counting only the first and highest paid 40 hours of employment per week of each unrelated adult. For a household containing adults related by marriage or a domestic partnership registered with the county, only the highest 60 hours of the combined employment hours shall be counted, which shall be considered to be 75% of the adjusted gross income. The income of dependents regardless of age shall not be counted in calculating a household's income.

Section 6. Section 9.5-266 Monroe County Code, is amended by renumbering Section 9.5-266(b) to Section 9.5-266 (f) and by the addition of new Sections 9.5-266(b), (c), (d), and (e) as follows:

Section 9.5-266(b) Affordable housing requirement for residential projects of three (3) or more units and in-lieu fees. New residential projects of three (3) or more units containing market rate units or projects containing both market rate residential units and commercial floor area shall be required to develop at least 30 percent (30%) of the residential units beyond the first two (2) units as affordable. Each of the affordable units shall be at least 400 square feet in floor area. The developer of the project may contribute a fee in-lieu for all or some percentage of the required affordable units, which if approved by the Monroe County Board of County Commissioners, will be deposited in the affordable housing trust fund. The in-lieu fee shall not be less than \$50,000 per unit, representing construction cost, less land cost of the minimum size 400 square foot affordable unit. The Planning Commission shall by resolution annually adjust the in-lieu fee during the first quarter of each calendar year based upon the cost of construction of residential units as contained in standard published construction cost indicators, adjusted for Monroe County. This section does not apply to the redevelopment of existing units. This subsection does not apply to employee housing which may be established by Section 9.5-266, Monroe County Code.

Section 9.5-266(c) Linkage of projects. Two or more development projects which are required to provide affordable housing may be linked to allow the affordable housing requirement of one development project to be built at the site of another project, as long as the affordable housing requirement of the latter development is fulfilled as well. The project containing the affordable units must be built either before or simultaneously with the project without, or with fewer than, the required affordable units. Sequencing of construction of the affordable component of linked

projects may be the subject of the Planning Department or the Planning Commission's approval of a project. In addition, if a developer builds more than the required number of affordable units at a development site, this development project may be linked with a subsequent development project to allow compliance with the subsequent development's affordable unit requirement. The linkage must be supplied by the developer to the Planning Commission at the time of the subsequent development's conditional use approval. Finally, all linkages under this subsection may occur between sites within the county and in the cities of Key West, Marathon and Islamorada, subject to an interlocal agreement, where appropriate; however, linkage must occur within the same geographic planning area, i.e. lower, middle and upper keys. All linkages must be approved via a covenant running in favor of Monroe County, and if the linkage project lies within a city, also in favor of that city. Said covenants shall be placed upon two or more projects linked, stating how the requirements for affordable housing are met for each project. The covenant shall be approved by the Monroe County Board of County Commissioners and, if applicable, the participating municipality.

Section 9.5-266(d) Affordable housing trust fund. The affordable housing trust fund (referred to as the "trust fund") is established. The trust fund shall be maintained with funds earmarked for the purpose of promoting affordable housing in municipalities and unincorporated areas of Monroe County. Monies received by the trust fund shall not be commingled with general operating funds of the county. The trust fund shall be used for the following:

- a) Financial aid to developers as project grants for affordable housing construction;
- b) Financial aid to homebuyers as mortgage assistance, inclusive of loans for down payment assistance;
- c) Financial incentive for the conversion of transient units to affordable residential units;
- d) Direct investment in or leverage to housing affordability through site acquisition, housing development and housing conservation; or
- e) Other affordable housing purposes may be established by resolution of the Board of County Commissioners, which shall act as trustees for the fund. The Board of County Commissioners may enter into agreements with the Monroe County Housing Authority, a qualified community housing development organization created by the Board of County Commissioners, or a municipality within Monroe County.

Section 9.5-266(e) Community housing development organization. The Board of County Commissioners may establish a nonprofit community housing development organization (CHDO), pursuant to federal regulations governing such organizations, to serve as developer of affordable housing units on county-owned property, including or located in the municipalities of the county, upon interlocal agreement. In such event, the county may delegate to the community housing development organization all or partial administration of the affordable housing trust fund.

Section 7. Sec. 9.5-266(b) (1) Monroe County Code, as above renumbered to 9.5-266(f) (1) is amended to read as follows:

(f) Administration and Compliance:

- (1) Before any ~~certificate of occupancy~~ building permit may be issued for any structure, portion or phase of a project to this section, restrictive covenants(s) shall be filed in the Official Records of Monroe County to ensure compliance with the provisions of this section running

in favor of Monroe County and enforceable by the County and, if applicable, a participating municipality. The covenants for any affordable housing units partly or wholly financed by a public entity shall be effective for a period of at least fifty (50) years. The covenants for any affordable housing units relying wholly upon private non-public financing shall be effective for at least thirty (30) years. The covenants shall not commence running until a certificate of occupancy has been issued by the building official for the dwelling unit or dwelling units to which the covenant or covenants apply.

Section 8. Section 9.5-266 Monroe County Code, is amended by adding a new Section 9.5-266(h) as follows:

Section 9.5-266(h) Interlocal affordable rate of growth allocation agreements. The Monroe County Board of County Commissioners may authorize interlocal agreements between the County and the cities of Marathon, and Key West, and Islamorada, Village of Islands for the purpose of sharing residential rate of growth affordable housing allocations. The interlocal agreements may be based upon a specific project proposal within one or more jurisdictions or may be for a specific allocation of units on an annual basis, from the County to a municipality or from a municipality to the County. All allocations made available to a jurisdiction must meet the applicable affordable housing requirements of the receiving jurisdiction's land development regulations and affordable housing ordinances.

Section 9. If any section, subsection, sentence, clause, item, change, or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such validity.

Section 10. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of said conflict.

Section 11. This ordinance shall be filed in the Office of the Secretary of State of Florida, but shall not become effective until a notice is issued by the Department of Community Affairs or Administrative Commission approving the ordinance.

Section 12. This ordinance shall be transmitted by the Planning Department to the Department of Community Affairs to determine the consistency of this ordinance with the Florida Statutes.

Section 13. The Director of Growth Management is hereby directed to forward a copy of this ordinance to the Municipal Code Corporation for incorporation in the Monroe County Code of Ordinances once this ordinance is in effect.

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